

ST 02-0231-GIL 10/24/2002 ENTERPRISE ZONES

Window blinds that are physically installed into real estate can qualify for the enterprise zone building materials exemption from sales tax. See 86 Ill. Adm. Code 130.1951. (This is a GIL).

October 24, 2002

Dear Xxxxx:

This letter is in response to your letter dated September 19, 2002 and our telephone discussion on October 10, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/Laws/regs/part1200/>.

In your letter, you have stated and made inquiry as follows:

PERSON told us to contact you in regard to interpretation of what is tax exempt for a supportive living center we are building in CITY, Illinois.

This project is supported and funded by the Illinois Dept of Public Aid. It is affordable living for seniors with limited income. We installed mini blinds, which are permanently attached to the walls. We took the exemption for the tax. We are now being told Window Blinds do not meet the criteria to qualify for the exemption. We are required by the guidelines of this program, to provide suitable window coverings to darken the rooms for sleeping.

We would appreciate your clarification of this question.

The enterprise zone building materials exemption from sales tax applies to both state and local sales taxes on qualifying building materials. Some examples of the kind of building materials that could qualify include common building materials such as lumber, bricks, and cement, plumbing systems and components thereof, heating systems and components thereof, electrical systems and components thereof, central air conditioning systems, ventilation systems and components thereof, built-in cabinets, and built-in appliances. Items that are not physically incorporated into the real estate cannot qualify for the exemption. Examples of this include tools, machinery, equipment, fuel, forms and other items that may be used by a construction contractor at an enterprise zone building site, but are not physically incorporated into the real estate, and free-standing appliances such as stoves and refrigerators if they are connected to and operate from a building's electrical or plumbing system but do not become a component of those systems. See 86 Ill. Adm. Code 130.1951(d) and (e) of the regulations.

The blinds you are asking about are physically installed into the building through the use of “pop rivets” and become a permanent part of the window frame. It is the Department’s opinion that the blinds are the type of building materials that qualify, provided that all other requirements to claim the exemption are met.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Martha P. Mote
Associate Counsel

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Enc.